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nds and exchanges: You know the Facts?

Ministry of
Consumer and
Commercial Relations

VISION

To promote a fair, safe and
informed marketplace which
supports a competitive
economy in Ontario.

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Refunds and exchanges: Do You know the Facts?

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All too often, the familiar cry “I want my money back!” only leads to frustration for both consumers and merchants. Many shoppers think they can automatically get a refund for anything they buy. And sometimes they learn the hard way this isn’t the case. It’s actually up to merchants to set their own refund and exchange policy – and then, with any luck, to let consumers know what it is.

Contrary to popular belief, merchants don’t have to accept returns. Luckily, though, most of them realize that a fair refund-and-exchange policy helps keep customers happy – and keeping customers happy is good for business.

For consumers, ignorance is no excuse when it comes to refunds and exchanges. Consumers are responsible for asking about a store’s return policy and making sure they clearly understand it. This will usually prevent problems later on if a product has to be returned.

Here’s what consumers can do

As a consumer, the best way to avoid refund problems is to shop carefully so you won’t need to return anything.

Here are some guidelines:

- Comparison shop. By going to several stores and comparing prices, guarantees and service agreements, you can usually find the best value.
- Avoid impulse buying. Do you really need this item? Can you afford it? Is this the best price?
- Shop at reputable stores. Ask friends to recommend the shops they like. Check a store's reputation through your local Better Business Bureau or Chamber of Commerce.
- Examine the goods carefully. Try on clothes to make sure they fit properly. If you're shopping for appliances, ask for demonstrations.
- Be wary of extravagant sales claims. If it sounds too good to be true, it probably is.

Once you've decided on something, be sure to find out what the store's policy is **before** you buy. If it doesn't have a prominently-displayed notice, ask the following questions and insist the policy be written on your receipt.

- Does the store give full refunds? If not, does it give partial ones, exchanges, credit notes or other compensation?
- What do I need to prove I bought something in your store? A sales slip? A cancelled cheque? A charge-account billing? The original packaging?

- Does the store refuse to give refunds or exchanges on certain items? Bathing suits? Underwear? Shoes? Records? Items on special sale?
- What condition can the merchandise be in? Unopened? Opened, but not used? Slightly used? Damaged from use?
- Do I have to return the goods within a certain period of time?

Be extra careful when shopping for gifts. Is your purchase suitable for the person you're giving it to, and not just something you'd like? Be sure to save the receipt or whatever you need as proof of purchase.

Once you've bought something, care for it properly. That means reading all the instructions carefully. For example, you can't expect your new sweater to hold its shape after you put it in the dryer if the label says "drip dry". And don't risk hurting yourself or the appliance by, for instance, washing your electric frying pan if the instructions say "Do not immerse in water."

Know how to ask for a refund or exchange

Before returning to the store, make sure you've complied fully with the store's refund and

exchange policy. For example, bring your receipt and return the merchandise within the time limit, if there is one.

If you have children old enough to shop, teach them about their rights and responsibilities as consumers. They, too, can ask for a refund or exchange in the right circumstances.

If, after all your precautions, you still run into problems with refund or exchange, follow these suggestions:

- Try not to lose your temper. Explain your problem clearly and calmly to the sales clerk.
- If the sales clerk can't help you, ask to see the manager.
- Be prepared to negotiate. Stores that don't give refunds might be persuaded to exchange or repair your purchase or make other arrangements.
- Still not satisfied? Mail a registered letter or hand-deliver one to the person in charge. It should include your name, address and telephone number; the name and type of product bought, date you bought it and price you paid; an outline of the problems and your attempts to solve them; copies (not the originals) of receipts or other documents; and what you want the store to do about your problem.

The Business Practices Act can help

The Business Practices Act, administered by the Ontario Ministry of Consumer and Commercial Relations, protects you against false, misleading or deceptive representations.

If you feel a product doesn't live up to sales claims, advertisements or other representations, you can demand your money back within six months.

Do this by sending a cancellation letter — called a letter of rescission — by registered mail. The letter should say: "I exercise my right of rescission under Section 4 of the Business Practices Act." Include your reasons for doing so.

If you have signed an agreement to make regular payments on your purchase, send a copy of your letter to the finance company or institution that gave you credit.

If you need help or would like to learn more about your rights and responsibilities as a consumer, call the ministry's General Inquiry Unit, Better Business Bureau or consumer organization. As well, if the merchant belongs to any retail associations, contact them for help.

When all else fails, you can go to small claims court if your purchase cost \$6,000 or less.

Here's what a store or business can do

The best defence against unhappy customers is a clear refund and exchange policy.

Display the policy prominently near the cash register, the fitting rooms or any busy location. Large stores often state their policy in their advertising. Others have it printed on sales tags or receipts.

The wording should be as clear and simple as possible. If your store serves many customers who have problems with English, consider translating the message into other languages.

Your notice, whether it's printed on a poster or on the receipts, should contain the following information:

- whether you give refunds
- whether you will exchange merchandise
- whether you give credit notices or other forms of compensation
- any items that your policy doesn't cover, such as undergarments
- what is needed for proof of purchase
- in what condition items must be for a refund or exchange
- how long after purchase you will give a refund or exchange
- any other terms or conditions

If your policy doesn't apply to sale merchandise, you should also clearly state this. For instance, post a sign stating "No refunds on sale items" beside the goods on sale.

Make sure staff know your policy and can answer questions politely. Insist they refer unresolved disputes to you. If special conditions apply to certain items, staff should inform customers at the time of purchase.

Communicating clearly will also help you avoid problems with refunds and exchanges. For example:

- Don't say things you don't mean or raise unrealistic expectations.
- Don't claim something will last a lifetime if it will really only last five years with normal use.
- Make sure your staff are familiar with consumer-protection legislation. For instance, they should know that the Business Practices Act prohibits exaggerated sales claims and that contracts can be cancelled for this reason.

Here are some tips on dealing with complaints about refunds and exchanges:

- Show the consumer your written policy notice.
- Make sure your staff are polite and refer any problems they can't handle to you.
- Find out why the customer wants a refund. If product defects or exaggerated sales

claims are persistent problems, you will want to take steps to keep your customers.

- If the dispute must be referred to the manufacturer, be a co-operative mediator between consumer and manufacturer.
- Be ready to negotiate. Flexibility, particularly when some issues remain in doubt, may earn you a steady customer.

We'd like to hear from you. The consumer ministry welcomes comments and suggestions on its information materials and programs. They can help us better respond to your needs in the marketplace.

Be an informed consumer

The Ontario Ministry of Consumer and Commercial Relations has published a number of other booklets covering a wide range of consumer topics.


For further information or to obtain copies of the ministry brochures call or write to:

General Inquiry Unit
Ministry of Consumer and Commercial
Relations
250 Yonge Street
Toronto ON M5B 2N5

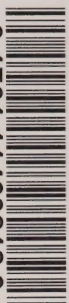
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We 'd like to hear from you.

Cette publication est également disponible
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